



November 2, 2015

VIA ELECTRONIC FILING

Ms. Marlene H. Dortch
Secretary
Federal Communications Commission
445 12th Street, SW
Washington, DC 20554

NOTICE OF EX PARTE PRESENTATION

Re: WC Docket Nos. 11-42, 09-197, and 10-90 In the Matter of Lifeline and Link Up Reform and Modernization; Telecommunications Carriers Eligible for Universal Service Support; Connect America Fund

Dear Ms. Dortch:

This presentation addresses the compelling public interest in expanding the eligibility of Lifeline providers to include Wi-Fi based wireless internet service providers ("Wi-Fi WISPs") and to inform the Commission of how Spot On Networks, LLC ("SpotOn") is helping to bridge the digital divide by making robust voice and data broadband service available to the affordable housing market.

SpotOn has been serving the multifamily residential community since 2005 as a Wi-Fi WISP. The multifamily residential community currently represents nearly 35% of the population of the United States, which includes a large percentage of affordable housing. Our services – and those of our Wi-Fi WISP competitors- are generally 30% less costly than services provided by the dominant broadband service providers, and provide unique features not otherwise found in other wired or wireless access technologies that enable us to get the job done in this challenging environment.

For example, thanks to a commitment from Mayor Bill de Blasio, SpotOn anticipates being able to furnish a 3,000 unit public housing complex in New York City with broadband of 25 megabits per second ("Mbps") and WiFi Calling services for a monthly cost of close to ten dollars per month per household. This is enormously important in helping to bridge the digital divide and making voice and data communications accessible and affordable to low income Americans.

As already well documented in the referenced FCC proceeding, computer ownership and Internet use strongly correlate with a household's income; the higher the household income, the more likely it is for the household to subscribe to broadband service. In 2013, 95% of U.S. households with incomes of \$150,000 or more reported connecting to the Internet,



while only about 48 percent of the households making less than \$25,000 and 69 percent of households with incomes between \$25,000 and \$49,999 subscribe to home Internet access.

In today's world, however, having an affordable high speed voice and data connection is a societal imperative. Children need it to connect to online learning resources in order to do their homework; job seekers are *required* to apply for jobs online; and, government services on a federal, state, and local level more and more are being furnished on an online basis. As Commissioner Rosenworcel notes, "[w]hile low-income families are adopting smartphones with Internet access at high rates, a phone is not how you want to research and type a paper, apply for jobs, or further your education."

For many decades, federal policy has called for making affordable residential telephone service available to the greatest number of Americans—a policy known as "universal service." The Commission carries out this policy through four universal service programs, including the Lifeline program. This program was created in the mid-1980s to promote telephone subscribership among low-income households. Although the Lifeline program traditionally centered on wireline residential telephone service, a few years ago the Commission allowed eligible households to receive prepaid wireless service from non-facilities-based wireless carriers. In 2010, competitive providers (the vast majority of which are mobile wireless providers) received nearly 55 percent of total program support. Wireless Lifeline enrollment has greatly increased, consistent with the same trend toward wireless service in the general population. As the Commission has found wireless services now have taken on particular importance to low-income consumers, who, according to the Commission's own findings, are more likely to reside in wireless-only households than consumers at higher income levels.

In 2012, the Commission comprehensively examined the Lifeline program. At that time, two very significant goals were adopted for the Lifeline program: the first goal is ensuring the availability of affordable voice service for low income Americans; and, the second goal is ensuring the availability of affordable broadband service for low income Americans. With regard to the first goal, the Commission, significantly, changed the definition of Lifeline to make clear the service to be supported by Lifeline is "voice telephony service." The Commission emphasized that this "voice telephony" may be provisioned over broadband using Internet protocol ("IP").¹

In the Second Further Notice of Proposed Rulemaking, Order On Reconsideration, Second Report and Order, and Memorandum Opinion and Order, released June 22, 2015 in the

¹ Eligible Lifeline telephony services must provide voice grade access to the public switched telephone network or its functional equivalent; minutes of use for local service provided at no additional charge to end users; access to emergency 911 and enhanced 911 service to the extent the local government in an eligible carrier's service area has implemented 911 or enhanced 911 systems; and toll limitation at no charge to qualifying low-income consumers subject to certain specified requirements.



referenced matter ("NPRM"), the Commission asks for ways to increased competition and innovation in the Lifeline marketplace. The Commission said, "We believe the best way to do this is to increase the number of service providers offering Lifeline services" (at para. 121). More to the point, although the Commission's rules presently restrict eligibility to participate in the Lifeline program to only an Eligible Telecommunications Carrier ("ETC"), in the NPRM the Commission makes a point of considering expanding that pool of eligible providers to others. The legal support for the Commission to expand that pool is not at issue. That road already has been well trodden by the Commission. As the Commission observed in the NPRM, "Importantly, in 1997, when the Commission implemented the Telecommunications Act of 1996 and revised the Lifeline program, it found that it had the authority to provide Lifeline support to include carriers other than ETCs." (at para 135).

Furthermore, there has been some discussion about expanding the service offerings under the Lifeline Program to include either broadband access service or voice telephony service. The reason for the need of a choice was to reduce the need for additional subsidy and additional administration.

The purpose of this filing is for SpotOn to go on record of encouraging the Commission's expansion of the pool of eligible Lifeline service providers to include Wi-Fi based wireless internet service providers. Technology, today, demonstrably is light years ahead of what it was when the Lifeline program was established with plain old telephone service land lines. Today, the capabilities furnished by Wi-Fi WISPs meet the Commission's definition of "voice telephony" and can be readily deployed at affordable prices to low income Americans – the very population the Lifeline program was created to serve. (Indeed, when the service which SpotOn provides is used in conjunction with Hot Spot 2.0 (a technology developed by the Wi-Fi Alliance and the Wireless Broadband Association), the service becomes even more robust and useful for both voice and data.)

More importantly, today's Lifeline Program can be significantly enhanced. By including Wi-Fi WISPs in the program, there is no need to choose between broadband service and voice telephony service since a Wi-Fi WISP can provide both services under the same subscription.

In conclusion, SpotOn, without hesitation, encourages the FCC to expand the pool of eligible Lifeline providers to include Wi-Fi WISPs.

Very truly yours,

A handwritten signature in blue ink, appearing to read "Richard J. Sherwin", with a stylized flourish at the end.

Richard J. Sherwin
Chief Executive Officer